

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF INDIANA  
HAMMOND DIVISION AT LAFAYETTE

IN THE MATTER OF:	)	
	)	
WILLIAM LAWRENCE IVERSEN, JR.	)	CASE NO. 03-41263
	)	
Debtor	)	

**DECISION AND ORDER**

At Fort Wayne, Indiana, on May 15, 2006.

In this chapter 7 case the trustee has filed an objection to claim no. 5 filed on behalf of First North American National Bank. This objection does not call into question either the validity of the debtor's obligation to that creditor or the amount due as of the date of the petition. See, 11 U.S.C. § 502(b). Instead, it is based upon the proposition that the creditor claims a lien which it failed to perfect. This is not a basis to completely deny a creditor's claim. See, Matter of Taylor, 289 B.R. 379 (Bankr. N.D. Ind. 2003). Instead of a challenge to the amount due the creditor as of the date of the petition, this objection is really a challenge to the validity, priority or extent of the creditor's claimed lien. In view of the powers which have been given to the trustee by § 544 of the United States Bankruptcy Code, the trustee may well have something to complain about. Nonetheless, the Federal Rules of Bankruptcy Procedure require an adversary proceeding for this type of dispute. Fed. R. Bankr. P. Rule 7001(1). As a result, it cannot be determined in the context of the less formal proceedings associated with the court's motion practice. See, Fed. R. Bankr. P. Rules 9014(a), 3007. See also, In re Consolidated Industries Corp., 1999 WL 297492 (Bankr. N.D. Ind.1999).

SO ORDERED.

/s/ Robert E. Grant  
Judge, United States Bankruptcy Court